

Message Text

UNCLASSIFIED

PAGE 01 STATE 018384
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DRAFTED BY: EUR/WE:AHUGHES

APPROVED BY: EUR/WE:EJBEIGEL

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FM SECSTATE WASHDC

INFO AMEMBASSY MADRID 1147

UNCLAS STATE 018384

C O R R E C T E D C O P Y (MRN SHOULD READ 018384, VICE 018383)

FOL CDRUSACSA FT MONMOUTH NJ/CCM CG SENT ACTION SECSTATE
SECDEF CDRDARCOM HQDA CDRUSACC CDR CERCOM CDRUSASAC C USACC
JAN 18, 1978 REPEATED TO YOU QUOTE

TAGS: US, SP

SUBJ: FMS CASE DA SPAIN UKJ, CONTRACT DAAB07-74-C-0257(TCN)
THE LETTER BELOW, DATED 17 JANUARY 1978, FROM FEDERAL ELECTRIC
CORPORATION WAS RECEIVED BY THE PROCUREMENT CONTRACTING OFFICER,
CERCOM, AND IS QUOTED FOR YOUR INFORMATION IN ACCORDANCE WITH
DIRECTION FROM BG PAIGE:
BEGIN QUOTE"YOU ADVISED US THAT OUR LATEST INVOICE FOR PROGRESS
PAYMENTS WHICH WAS APPROVED FOR PAYMENT IN THE AMOUNT OF \$1,500,000
CANNOT BE PROCESSED UNTIL THE GOVERNMENT HAS ADJUSTED AN INTERNAL
FUNDING PROBLEM INVOLVING THE SPANISH GOVERNMENT MAKING CERTAIN
PROGRESS PAYMENTS ON THEIR FMS CASE. FURTHER, DD 250'S RECENTLY
EXECUTED FOR COMPLETED CONTRACT ITEMS 0001AB (SUBSYSTEM B) AND
0004AA (ON-SITE TOOLS, TEST EQUIPMENT, FIXTURES AND JIGS FOR ALL
SITES) AMOUNTING TO OVER \$4.6 MILLION DOLLARS, WILL NOT BE PAID
WHEN INVOICED.

THE ACTION TAKEN BY THE U.S. GOVERNMENT IS UNWARRANTED AND
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IN VIOLATION OF ASPR AND THE CONTRACT PROVISIONS. WE ARE UNABLE
TO UNDERSTAND HOW THE U.S. GOVERNMENT ENCOUNTERS DIFFICULTIES IN
THEIR FOREIGN GOVERNMENT RELATIONSHIPS. THE PRIME INTEREST OF THE
U.S. GOVERNMENT SHOULD BE TO UPHOLD THE INTEGRITY OF THEIR CONTRACT
RELATIONSHIPS AND MAKE PAYMENTS AGAINST APPROPRIATE APPROVED
INVOICES.

APPROPRIATE ACCOUNTING CLASSIFICATIONS REFLECTING FUNDING

AVAILABILITY ARE IN OUR CONTRACT TO COVER BOTH PROGRESS PAYMENTS AND PAYMENTS FOR THE COMPLETED WORK SPECIFIED ABOVE. THESE OBLIGATED APPROPRIATED FUNDS IN SUPPORT OF FOREIGN MILITARY SALES ARE IN CONFORMANCE WITH ASPR SECTION 1-102 AND 1-109.4, AND SECTION VI. NO DEVIATION FROM ASPR EXISTS BY TREATY OR EXECUTIVE AGREEMENT BETWEEN U.S. AND SPAIN IN REGARD TO PAYMENT OF CONTRACTOR'S INVOICES. FURTHER, WE SEE NO PROHIBITION OR LIMITATION FOR SUCH PAYMENT NOR ANY CLAUSE IN THE CONTRACT WHICH PREDICATES PAYMENT BY THE U.S. GOVERNMENT UPON RECEIPT OF FUNDS FROM THE SPANISH GOVERNMENT.

IN ACCORDANCE WITH YOUR INSTRUCTIONS TO THE ACO AND OTHER GOVERNMENT AGENCIES NO PAYMENTS CAN BE PROCESSED. WE WOULD APPRECIATE YOUR IMMEDIATE ADVICE WHEN AND IN WHAT AMOUNT WILL PAYMENT BE MADE FOR BOTH OUR PROGRESS PAYMENTS AND INVOICES COVERING COMPLETED WORK AS EVIDENCED BY SIGNED DD 250'S.

IN VIEW OF THESE ACTIONS TAKEN BY THE GOVERNMENT TO STOP PAYMENTS, NOTICE IS PROVIDED THAT WE INTEND TO PROCESS A CLAIM COVERING INTEREST ON THESE UNPAID INVOICES.

VERY TRULY YOURS, FEDERAL ELECTRIC CORPORATION.

SIGNED JOHN R. O'BRIEN, SENIOR CONTRACT ADMINISTRATOR" END QUOTE.
UNQUOTE VANCE

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DEBT REPAYMENTS, CONTRACTS, MILITARY SALES
Control Number: n/a
Copy: SINGLE
Draft Date: 24 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: EUR/WE:AHUGHES
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Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780035-0924
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780128/aaaaaxrp.tel
Line Count: 83
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Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 40e1a1e0-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 28 feb 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3722564
Secure: OPEN
Status: NATIVE
Subject: FMS CASE DA SPAIN UKJ, CONTRACT DAAB07-74-C-0257(TCN) THE LETTER BELOW, DATED 17 JANUARY 1978, FROM FEDERAL ELECTRIC CORPORATION WAS RECEIVED BY THE PROCUREMENT CONTRA
TAGS: MASS, US, SP, FEDERAL ELECTRIC CORP
To: MADRID
Type: TE
vdkgvkey: odb://SAS/SAS.dbo.SAS_Docs/40e1a1e0-c288-dd11-92da-001cc4696bcc
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